(vi) The import of specified textiles and garment machinery items has been allowed at a concessional rate of customs duty to encourage investments and to make our textile products competitive in the global market. The cost of machinery has also been reduced through fiscal policy measures.

(vii) Duty-free imports of 21 items of trimmings and embellishment items are allowed to the garment exporters, upto 3% of their actual export performance during the previous year.

(viii) For the speedy modernisation of the textile processing sector, Government has introduced, w.e.f. 20.4.2005, a credit linked capital subsidy scheme @10% under TUFS, in addition to the existing 5% interest reimbursement.

(ix) The National Institute for Technology (NIFT), its seven branches, and the Apparel Training & Design Centres (ATDCs) are running various courses/programmes to meet the skilled manpower requirements of the textile industry, especially apparel, in the field of design, merchandising and marketing.

(x) Facilities like eco-testing laboratories have been created to enable exporters to get garments/textiles pre-tested so that they conform to the requirements of the importing countries.

Low cotton yarn yield

2874. SHRI N.R. GOVINDARAJAR: Will the Minister of TEXTILES be pleased to state:

(a) whether India even though a major producer of cotton yarn and fibre, the production of cotton, as measured by yield, has been found to be lower than that in many countries;

(b) if so, the details thereof; and

(c) the steps taken by Government to boost textile sector in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) and (b) Yes Sir. Though in terms of area, India is ranking first in the world and in terms of cotton production is ranking third, after China and USA, still the yield per hectare for cotton in the country is lower as compared to world average yield. However, since

last three years, due to various Governmental measures like intensive Cotton Development programmes as also due to launching of Technology Mission on Cotton and release of Bt seeds for commercial cultivation, the yield per hectare in India, which was hovering at around 300 kgs per hectare has been increasing. During the current cotton season 2005-06, the yield per hectare in the country has been estimated at 467 kgs per hectare.

(c) Various steps taken by the Government to boost textile sector are given in the statement. (See below).

Statement

Steps taken by the Government to boost textile sector

(i) to improve productivity and quality of cotton for manufacture and export of competitive downstream textile products, Government has launched the Technology Mission on Cotton (TMC). The Misson has achieved success in increasing the productivity and reducing the contamination through upgradation of cotton market yards and modernisation of Ginning & Pressing factories.

(ii) The Technology Upgradation Fund Sen me (TUFS) was launched to facilitate the modernisation and upgradation of the textile industry both in the organised and unorganized sector. The Scheme has been further fine tuned to increase the rapid investments in the targeted sub-sectors of the textile industry. The cost of machinery has been further brought down by reducing the customs duty on imports.

(iii) For speedy modernisation of the textile processing sector, Government has introduced w.e.f. 20.04.05, a credit linked capital subsidy scheme @10% under TUFS, in addition to the existing 5% interest reimbursement.

(iv) For small scale textile and just industrial units, Government has enhanced, the rate of Credit Linked Capital Subsidy (CLCS) from 12% to 15% w.e.f. 13.01.05.

(v) In order to facilitate modernisation of the Powerloom Sector, Schemes such as High-tech Weaving Parks, Modernisation and Strengthening of Poerloom Service Centres, Group Workshed Scheme and Credit Linked Capital Subsidy Scheme @ 20% have been introduced.

(vi) To provide the textile industry with world-class infrastructure facilities for setting up their textile units meeting international environmental and social standards, a Public-Private Partnership (PPP) based Scheme known as the "Scheme for Integrated Textile Park (SITP)" has been introduced in August 2005.

(vii) In 2004-05 Budget, the entire textile sector, except for man-made fibre and filament yarn was provided optional exemption from excise duty. In 2005-06 Budget, Central Value-aided Tax (CENVAT) on Polyester Filament Yan has been reduced from 24% to 16%. These modifications in fiscal levies aim at attracting more investments for modernization of textile sector.

(viii) To faciliate impart of state of the art machinery to make our products internatonally competitive in postquota regime, in 2005-06 Budget, the customs duty on textile machinery has been brought down to 10% except 23 machinery appearing in List 49 which attracts Basic Customs Duty (BCD) of 15%. The concessional duty of continues to be at 5% on most of the machinery items.

(ix) In 2005-06 Budget, 30 items of knitting and knitwear have been de-reserved. This would facilitate setting up of large sized modernized units for meeting the international competition.

(x) In the Budget 2006-07 the following annoucements for the textile sector have been made:-

* Reduction in the excise duty on all man-made fibre yarn and filament yarn from 16 per cent to 8 per cent.

* Reduction in the import duty on all man-made fibres and yarns from 15 per cent to 10 per cent.

* Reduction in the improt duty on raw materials such as DMT, PTA and MEG be from 15 per cent to 10 per cent.

* Enhancing the allocation from Rs. 435 crore to Rs. 535 crore for the year 2006-07.

* Enhancement in the provision for the handloom sector from Rs. 195 crore to Rs. 241 crore for the year 2006-07.

* Provision of Rs. 189 crore during 2006-07 for the Scheme for Integrated Textiles Parks (SITP)

* Launching of the Jute Technology Mission in 2006-07 to harness the potential of the golden fibre along with establishment of a National Jute Board.

(xi) Government has launched the Debt Restructuring Scheme w.e.f. Sept., 2003 with the principal objective to permit banks to lend to the textile sector at 8-9% rate of interest.

In order to cater to the growing skilled manpower requirements at shop floor level, Government is providing assistance for strengthening existing and opening new Apparel Training and Design Centres (ATDCs).

Government has allowed 100% Foreign Direct Investment in the textile sector under automatic route.

(xiv) Government has de-reserved the readymade garments, hosiery and knitwear from SSI sector so that large scale investments may be encouraged in these sectors.

(xv) National Institute of Fashion Technology (NIFT) has been set up to provide the leadership role in sensitizing the Industry to the concept of value addition by inducting trained professionals to manage the industry. This has resulted in an increased demand for trained professionals in various sectors servicing the industry.

(xvi) To take a serious look at Fashion Education in the changing business context of the opening up of World Economies, Government is taking steps for:—

* Establishing an institution of National Excellence for imparting Fashion Business Education with International Benchmarking.

* appointing a nodal agency for standardizing and benchmarking Fashion Business Education in the country.

* Setting up an Apex Body to train the teacher/trainers imparting Fashion Business Education in the country.

Reform in handloom sector

†2875.MISSANUSUIYAUIKEY: Will the Minister of TEXTILES be pleased to state:

(a) the details of the reforms being carried out in the handloom sector;

†Original notice of the question was received in Hindi.